

## Appendix 2 Full Business Case

The FBC template is based on HM Treasury's Green Book's five case appraisal model.

For further guidance on financial appraisal, please see:

- HM Treasury Green Book: Appraisal and Evaluation in Central Government
- HM Treasury Guide to developing the Project Business Case

The Green Book is aimed at large Government projects. Birmingham's FBC template represents a simpler version with the key elements.

### Version Control

Version	Date	Description
V1.0	22-09-21	First Draft
V2.0	24.01.2022	Second Draft
V3.0	3.02.2022	Final draft following I2D feedback

### Project information

Project Title	Children's Trust Accommodation		
Project Sponsor	Andy Couldrick	Project Manager	Lee Yale-Helms
Directorate(s)	Education and Skills	Portfolio Holder	Cllr Thompson
Invest to Save Proposal (Y/N)	N	Payback Period before Ongoing Savings realised	N/A

## Outline Business Case approval

Approved in August 2021 by Trust Executive

### Executive summary

The proposal is to improve the current property estate building on successful progress splitting existing contact centres for children and families from child protection venues and investment in the Trust childrens homes across the City in response to regulation changes.

### Annex 3 Financial Overview

		Year 1 (2022-23)	Year 2 (2023-24)	Year 3 (2024-25)	Year 4 (2025-26)	Year 5 (2026-27)	Year 6 (2027-28)	
		£m	£m	£m	£m	£m	£m	
	<b>Capital exp funded through borrowing</b>	<b>1.65</b>	<b>1.3</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>0.0</b>	
	Revenue cost of year 1		0.103	0.103	0.103	0.103	0.103	revenue costs to continue until Year 20 (2042-43)
	Revenue cost of year 2			0.082	0.082	0.082	0.082	revenue costs to continue until Year 20 (2043-44)
	Revenue cost of year 3				0.070	0.070	0.070	revenue costs to continue until Year 20 (2044-45)
	Revenue cost of year 4					0.070	0.070	revenue costs to continue until Year 20 (2045-46)
	Revenue cost of year 5						0.070	revenue costs to continue until Year 20 (2046-47)
	<b>Total</b>	<b>0.000</b>	<b>0.103</b>	<b>0.185</b>	<b>0.255</b>	<b>0.325</b>	<b>0.395</b>	

*(NB this presumes that the revenue impact of repayment of capital borrowing is picked up by BCC corporately as part of the decision to invest the capital programme)*

## Reasons

Birmingham City Council entered into a service delivery contract for the provision and operation of children's social care services in the city of Birmingham with Birmingham Children's Trust (BCT) on 29th March 2018. Face to face conversations in the right accommodation are central to relationship based Social Care, this is a human service. Previous investment in Trust accommodation has successfully split contact with children and child protection conferences (which were inappropriately collocated) as well as improving the quality of the wider accommodation offer.

In a wider context, a number of drivers have changed:

- the legislation nationally limiting unregulated placements meaning the creation of more internal Children Home capacity;
- resolving a historical structural unfunded maintenance programme for existing sites impacting on the quality of accommodation for children and families;
- significant programme of readjustment from COVID coupled with the introduction of agile working to release major assets such as Lancaster Circus.

Current schemes in the existing £1.854m capital programme (approved for 2021/22) are forecast at £1.854m spend by March 2022. There is no capital investment to maintain progress or quality beyond that point.

- The ambition of the Trust to deliver and estate fit for children and families will require routine capital investment and up front 'pump priming' beyond March 2022.
- A significant programme of readjustment requires investment in new accommodation with families at the centre of their design driven by change in placements regulations,
- Trust's agile direction is responsive to the Council's property rationalisation programme i.e. Lancaster Circus building being decommissioned, replacement of Sutton New Road, expansion at Lifford House amongst others. Alignment of Trust's accommodation portfolio with partners will continue over time as they are all at different stages of redesign.
- Trust approach is becoming increasingly commercial which meaning leases likely to be full maintenance and repair leases. Also brings additional resourcing requirements within the Trust as well as increased risk and liability and dilapidations.

This proposal seeks to set aside £1.650m 2022/23, £1.3m in year two and an ongoing maintenance programme of £1.100 business as usual position from 2024/25 until 2026/27. It is anticipated that an ongoing business as usual capital programme will progress beyond 2027 to be agreed in advance.

## Scope and Dependencies

The proposal would require a review of current accommodation arrangements including security across any public access buildings to ensure the new facilities are child and family friendly.

## The Strategic Case

This sets out the case for change and the project's fit to the Council Plan objectives

### Objectives and Outcomes

The proposal here relates to two of the City Council's priorities

- Birmingham is an aspirational city to grow up in
- Birmingham is a great city to live in

Protecting children was identified as the second or third most critical issue as part of the feedback from 2020 public budget consultation process.

### Deliverables

Provide a list of the key deliverables of the project.

Deliverable	Owner / Responsible	Timescale	Approver
Reconfigured estate to support rationalisation, agile working and locality working	Lee Yale-Helms	March 2024	Andy Couldrick
Routine maintenance programme in place for Trust Estate	Lee Yale-Helms	March 2023	Andy Couldrick
Childrens homes available to support legislation change	Lee Yale-Helms	March 2023	Andy Couldrick

### Benefits

- Better experience and outcomes for children and families
- Increased children home captiy to support emergency reponse

- Improved quality of accommodation for public access
- Delivery of medium term financial plan objectives and resolution of existing revenue pressures
- In the short term, the City Council is not expected to recoup the capital outlay (see comment above regarding cost reduction). However, as the City Council retains ownership of the assets there is an anticipation of capital accumulation. This hasn't been quantified in this business case, given market uncertainty.

## Benefits Realisation Plan

Benefits	Measurement	Timescale
Describe the benefits the project is expected to bring, including the impact on outcomes	Explain how the benefits will be measured so it is known they have materialised	By when should service users expect to see the benefits
Effective quality of accommodation appropriate for contact with Children and Families	Feedback from families, partners and staff	2024/25
Achieving medium term financial plan targets for accommodation	Financial Planning	2023/24
Increased quality	Internal review	2024/25

## Stakeholders

The list of key stakeholders for this initiative include:

- Children entering and/or in care and their families and carers
- Birmingham Children's Trust
- Children's Strategic Partnership
- Birmingham Children's Safeguarding Partnership (BCSP)
- West Midlands Police
- Birmingham & Solihull Clinical Commissioning Group and NHS providers

Engagement has been undertaken within the Children's Trust and feedback continues to be provided by conference chairs and other agencies involved in contact and conferencing arrangements.

## The Economic Case and options appraisal

### Summary of options reviewed at Outline Business Case

<i>Option (1,2,3 etc)</i>	<i>Description (What is the option?)</i>	<i>Impact (What is the impact of implementing this option on service delivery? Positive and negative)</i>	<i>Desirability (How does the option meet strategic objectives? Council priorities, directorate business plan etc)</i>	<i>Viability (How sustainable is the option, how financially sound is it? Will it deliver Value for Money?)</i>	<i>Feasibility (How easy is the option to implement, think about complexity, timescales, internal capacity/capability, is consultancy input required?)</i>
1	Do nothing	Maintain current accommodation portfolio across the city including Lancaster Circus.	<p>Inappropriate settings for children in unregulated or unsafe accommodation not in line with legislation</p> <p>Continued poor feedback about the quality of accommodation and disruption for children and families</p> <p>Existing accommodation is considered poor quality and not efficient from property management perspective</p>	Maintain existing structural overspends in Childrens Services budgets.	<p>This option would leave BCT with the inappropriate settings for direct work with Children (including ability to support changes in legislation).</p> <p>It would also divert budgets intended to be spend on child welfare to property spend. The Trust would not have the ability to support the Councils rationalisation programme.</p>

2	Implement but at slower pace (i.e. smaller number of new projects within existing financial envelop)	Variability of quality and experience across the City	Could create pressure on the better quality facilities and difficult to support rationalisation programme.	Existing structural overspends in Childrens Services budgets limits feasibility	Can be implemented but will not be as effective
3	Recommended option i.e. Implement the proposal with full investment outlined	<p>Remove variability of quality of experience</p> <p>Supports Covid readjustment and cost avoidance due to older / unfit for purpose buildings and from less disruption to front line service delivery time.</p> <p>Supports changes to legislation</p>	Excellent feedback from users to tackle known accommodation issues inherited by BCT when set up	Prudent sustainable option	Will provide the quality and service impacts needed to ensure and effective service

The recommended option is option 3 on the basis that other options do not deliver the maximum benefits as set out in this proposal..

### **Evaluation of key risks and issues of preferred option**

- Unable to support changes in legislation and wider rationalisation programme
- Unable to secure suitable accommodation within time/ cost parameters.
- Capacity to support the new contact arrangements separate from conferencing

### **Other impacts of the preferred option**

This investment would further strengthen the relationship between the Council and the Trust and serve to highlight that the two organisations can work collaboratively to deliver a better service offer for vulnerable children and their families and carers.

## Commercial Case

### Partnership, Joint venture and accountable body working

The project would form part of the scope of the contract between the Council and the Trust, with directorate oversight from Education & Skills through the Operational Commissioning Group and the Council in the form of the Children's Trust Partnership Governance Group.

### Procurement implications and Contract Strategy

This would be implemented as a change control to the existing service delivery contract between the Council and Children's Trust.

### Staffing and TUPE implications

It is expected one off staffing investment is required (funded within the capital budget) after which the Trust staffing would be managed within existing resources, and that there may be some potential to divert non social worker resources into front line support to children and families.

## Financial Case

### This sets out the cost and affordability of the project

### Financial implications and funding

	Existing £2m Investment	Year 1 (2022-23)	Year 2 (2023-24)	Year 3 (2024-25)	Year 4 (2025-26)	Year 5 (2026-27)	Ongoing BAU Position (subject to review)
5 Year Rolling Programme of Reurbishment (Planned)		£ 275,000	£ 275,000	£ 275,000	£ 275,000	£ 275,000	£ 275,000
Major Works (Reactive and Planned)		£ 350,000	£ 350,000	£ 350,000	£ 350,000	£ 350,000	£ 350,000



Capital Investment in New Accommodation		£ 700,000	£ 450,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000
Resourcing		£ 320,000	£ 220,000	£ 170,000	£ 170,000	£ 170,000	£ 170,000
Dilapidations				£ 100,000	£ 100,000	£ 100,000	£ 100,000
	<b>£ 2,000,000</b>	<b>£ 1,645,000</b>	<b>£ 1,295,000</b>	<b>£ 1,095,000</b>	<b>£ 1,095,000</b>	<b>£ 1,095,000</b>	<b>£ 1,095,000</b>

NB The programme assumes that infrastructure costs related to New Ways of Working are covered in the Councils New Ways of Working Programme financial plans.

		Year 1 (2022-23)	Year 2 (2023-24)	Year 3 (2024-25)	Year 4 (2025-26)	Year 5 (2026-27)	Year 6 (2027-28)	
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	<b>Capital exp funded through borrowing</b>	<b>1.650</b>	<b>1.300</b>	<b>1.100</b>	<b>1.100</b>	<b>1.100</b>	<b>0.0</b>	
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	Revenue cost of year 4					0.070	0.070	revenue costs to continue until Year 20 (2045-46)
	Revenue cost of year 5						0.070	revenue costs to continue until Year 20 (2046-47)
	Revenue cost of year 6							revenue costs to continue until Year 20 (2047-48)
	<b>Total</b>	<b>0.000</b>	<b>0.103</b>	<b>0.185</b>	<b>0.255</b>	<b>0.325</b>	<b>0.395</b>	

	Notes:							
1.	MRP and interest revenue costs occur the year after capital expenditure, as per BCC MRP policy							

*(NB this presumes that the revenue impact of repayment of capital borrowing is picked up by BCC corporately, as part of the decision to invest the capital programme)*

In this instance, the costs of repaying the borrowing are reflected for completeness.

### **Evaluation and comment on financial implications**

Financial assumptions:

- (a) £700,000 over the first two years of the programme reducing to £200k per annum from year three to invest in new accommodation in replacement of rationalised CAB estate and delivering the Trusts longer term locality model
- (b) £275,000 per annum to establish a rolling five year refurbishment programme for all accommodation (including refurbishments of Children's homes such as bathrooms and kitchens)
- (c) £350,000 per annum for a rolling programme of major capital works such as roof replacements
- (d) £320,000 in resourcing in years one and two reducing to £170k per annum from year three for project and programme management capacity
- (e) £100,000 per annum from year 3 in dilapidations for vacating premises
- (f) The plan is reviewed each year to assess the following years requirements

NB The programme assumes that infrastructure costs related to New Ways of Working are covered in the Councils New Ways of Working Programme financial plans.

One-off costs in relation to project implementation is as follows:

Item	Description	Total Cost £m	Revenue/ Capital
Project implementation Officer	1 x Programme Manager and 5 x Project Managers in year one reducing to 2 by year three	0.32m Year 1 0.22m Year 2 0.17m Years 3-5	Capital (one-off project cost)

#### **Payback Period for Use of Reserves**

Not applicable

#### **Approach to optimism bias and provision of contingency**

Optimism bias has been built into the overall contingency forecasts.

#### **Taxation**

No additional tax implications.

## Project Management Case

This considers how project delivery plans are robust and realistic

### Key Project Milestones

A full project plan and associated risk log will be completed upon approval of this full business case.

Key Milestones	Start Date	End Date	Output	Owner
Design principles/ staffing resource requirements and specifications for property	01/09/21	31/12/21	Resourcing and property specification	Lee Yale-Helms
Source Properties /renovation/ preparation	01/09/21	01/04/24	Property assets ready	Lee Yale-Helms

### Achievability

The Trust has dedicated PMO and management capacity with the capability to deliver this initiative supported by addition capacity up front in the programme.

### Resources, roles and responsibilities

Role	Responsibility	Days / Hours Required	Cost
<b>Project / Programme Leadership</b>			
<b>Project / Programme Board</b>	Trust Executive with Oversight by Operational Commissioning Group	Time Neutral	Cost Neutral
<b>Project / Programme Sponsor</b>	Andy Couldrick	Time Neutral	Cost Neutral
<b>Cabinet Member</b>	Cllr Thompson	Time Neutral	Cost Neutral

Role	Responsibility	Days / Hours Required	Cost
<b>CMT</b>	Andy Couldrick	Time Neutral	Cost Neutral
<b>Programme Management Office (PMO)</b>	Lee Yale-Helms	Time Neutral	Cost Neutral
<b>Project / Programme Team</b>			
<b>Programme Manager</b>	Sara Kennedy	Time Neutral	Cost Neutral
<b>Project Manager</b>	tbc	Time Neutral	Cost Neutral
<b>Senior User</b>	Jenny Turnross	Time Neutral	Cost Neutral
<b>Senior Supplier</b>	N/A		
<b>Functional Lead</b>	N/A		

### Sign Off

Approval Role	Name	Date
Project Sponsor / Director	Lee Yale-Helms	10/01/2020
Finance Business Partner	Paul Stephenson	10/01/2020
CMT	Andy Couldrick	19/12/2019